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THE REPUBLIC OF CHINA.

V—CONCLUDING THE LOAN.

By Frederic J. Haskin.

Before replying to the proposal of Premier Tang Shao Yi to float a loan of \$300,000,000 the six-power group looked the situation over carefully, for it must be remembered that they are bankers and business men. Despite the chaos that prevailed in China, regardless of the nebulous form of its government, they had been asked to lay a bond-selling proposition before the world. In the first place, while prepared to advance sums from their own strong boxes, under certain conditions, they deemed it very unwise to even attempt to sell new Chinese bonds at that time. They would have been sold so low that other Chinese bonds already on the market would have slumped.

If the group undertook to advance a large amount of money immediately they would have had to discount treasury bills. These they would have been forced to keep or try to sell to such few clients as would take them. As to the salt gabelle, the bankers held that it would be safe security only when administered by foreigners. The annual returns from this salt tax are estimated at \$40,000,000 per annum, whereas under foreign control it could amount to at least twice as much.

After the relief of Peking in 1908 a provisional government of foreigners was organized to direct the affairs of the city of Tientsin until order should be restored. The French consul general was chairman of this civil commission and the secretary was Mr. Denby, the American consul general. Under this foreign administration one station turned in as much from the salt tax in six months as the whole district did in a year when the Chinese were in control. A similar experiment was tried at Tientsin, and the receipts were six times as much as they had been before in the same length of time.

Consequently the six-power group decided that the huge loan Tang Shao Yi requested could be given only on the following terms:

Terms Decided by Six Power Group.

First, that the group should have the right to satisfy as to the purposes for which funds were required.

Second, that China should create a system of audit in which foreigners should be employed with powers not merely advisory, but also executive, so as to insure the effective expenditure of funds borrowed for the purposes specified.

Third, that the salt taxes to be hypothecated for the service of this loan should be administered either by the existing maritime customs organization or by a separate Chinese service like the customs, however, under foreign direction, thus safeguarding the proper administration of the security despite the possible continuation or recurrence of unsettled conditions in China.

Fourth, that the group should take the first series of the loan of \$300,000,000 at a fixed price, and should be assured an option on the subsequent series at a price to be based on the market quotation of the first issue, thus giving China the benefit of any improvement in her credit.

Fifth, that to protect the quotation of bonds issued and to assure a successful marketing of subsequent series, China should not borrow through other groups until after the entire loan of \$300,000,000 had been issued.

Sixth, that for a period of five years China should appoint the group, its financial agents to assist the administration in its work of reorganization.

On July 9 these terms were rejected on

the ground that they were unreasonable from the Chinese point of view. But the crying necessity for funds not abated, and two weeks later, or thereabouts, the group was approached in regard to the issuing of a small fifty-million-dollar loan, with immediate advances. Deeming this sum entirely inadequate for the amelioration of China, the bankers refused. In the meantime disaffected and unpaid troops continued to desert, riot, burn and loot in various parts of the country.

Probably the majority of the high officials in the capital city of Peking honestly believed the demands of the six-power group to be excessive. One member of the cabinet said: "I would rather have my country die by slow starvation than to be quickly strangled."

This view was also held by the majority of the members of the national assembly, really the members of the congress. They felt that the terms of the group were tantamount to dire financial bondage, and were deeply insulted over the stipulation that the salt gabelle be controlled by foreigners and that European and American auditors and inspectors be picked to watch and direct the expenditure of the money that the six-power group would advance from time to time. This inference of incompetence and ineptitude, even possible dishonesty, wounded the pride of the enthusiastic patriots and in many instances extremely able young men who found themselves in power by virtue of the successful revolution.

The feeling spread throughout the provinces, and the native press, now a factor in Chinese affairs, lined up solidly behind the cabinet. On the other hand, the foreign press in China was almost unanimously in favor of the modus vivendi suggested by the six-power group. Not a few influential Chinese, especially those who had had business and financial experience, favored the plan of the international bankers, but discretion made for silence in the face of the extremely hostile public opinion that then prevailed.

The American section of the group and the United States government, which backed it up, acting in perfect accord with Great Britain, France, Germany, Russia and Japan, came in for special criticism. They were lampooned for consenting to be a part of this great opus of finance which would bind the new republic hand and foot as they thought.

It was pointed out, and many public-spirited American citizens gave their indorsement, that the United States itself was no model of financial regularity in its tottering days, and that but for indulgent France the baby republic probably would not have survived.

The point of view of the American members of the group in this regard was set forth later by Willard D. Straight, who was the Peking agent of the American section until last April. In answering this argument he spoke as follows in the course of an address on the Chinese loan negotiations, delivered at Clark University, Worcester, Mass., November 14, 1912:

"The comparison, however, is not justifiable, for it should be remembered that when our federal government was first established there was no large public

debt, while the resources of the young American republic were enormous.

"The funds secured from abroad during our revolution, and immediately following its conclusion, had been advanced by the French government, not so much with the idea of assisting the struggling colonies as for the purpose of embarrassing Great Britain. Only when Alexander Hamilton

had reorganized the finances of the country, securing the assumption by the federal government of the larger part of the debt of the states, and after he had put the administration of the Treasury Department on a sound basis, were the United States able to borrow from foreign bankers on satisfactory terms. The ministry of finance in Peking, however, is still operating on lines scarcely conformable to our ideas of a business administration, despite the efforts of able men like Dr. Chen Chin Tao, while the republican government has assumed the obligations of its imperial predecessor, for which the revenues of China are, to a very large degree, already hypothecated, and for the service of which they are at the present time insufficient."

A dramatic feature of the loan deadlock was the political suicide of Tang Shao Yi, the premier of China, whose dealings had been responsible for the first break between the government and the six-power group. After the Belgian loan was exposed, the matter was taken out of his hands entirely and entrusted to the minister of finance. The situation became more intolerable to Premier Tang as the lines tightened around him, and one day last August, following a torrid dispute with the minister of finance, in the presence of the cabinet, he left the meeting, sneaked to the railway station and fled to the foreign concessions in the city of Tientsin, eighty-five miles away. The pleas of President Yuan failed to bring him back to his duties, and his "resignation" was soon accepted.

The last attempt of the Chinese government to get money without appealing to the six-power group was in September, when C. Birch Crisp & Co. of London undertook to float a loan of \$50,000,000. One-half was offered to the market, and it was necessary for underwriters to take most of it. The bankers put up \$9 for the bonds, so that China got only \$22,500,000. The other half of the issue was never floated.

Great Britain formally protested the loan, both in London and Peking. Relations between the government and the six-power group soon became more amicable, and January 2, this year, came the official notice that the terms of the bankers had been accepted, and that an advance of \$125,000,000 is to be made at once.

The Crisp loan of \$25,000,000 was included and a compromise agreeable to all concerned was effected ten days later.

BURGALAR ALARM IN THEATER.

Parents Called Home by Message.

Flashed During Film Drama.

BOONTON, N. J., January 25.—Mr. and Mrs. Norman Browers were spectators at a moving picture show Wednesday night when one of the film dramas was suddenly interrupted with these scribbled words thrown on the screen: "Norman Browers wanted at home at once."

The message was a burglar alarm. A sixteen-year-old daughter had been attacked by a burglar at the Browers' home, a mile distant, and her grandparents, who had found her unconscious and bleeding from a wound in the head, had telephoned to the theater, where the unusual burglar alarm startled the parents.

LABORERS CARRY DISEASE.

Five in Insanitary Quarters, and if They Leave They Lose Money.

NEW YORK, January 25.—One hundred thousand men, most of them foreigners, live in insanitary surroundings in 3,000 labor camps in connection with construction operations throughout New York state. They contract disease during the working months and carry it to their

families in cities. Many of the laborers live in shacks made from discarded freight cars. Under their system of employment they may not leave if dissatisfied unless they sacrifice part of their pay, held back to keep them at their jobs.

These are conditions described by voluntary witnesses before Gov. Sulzer's special public health commission, which is seeking to improve methods of public sanitation.

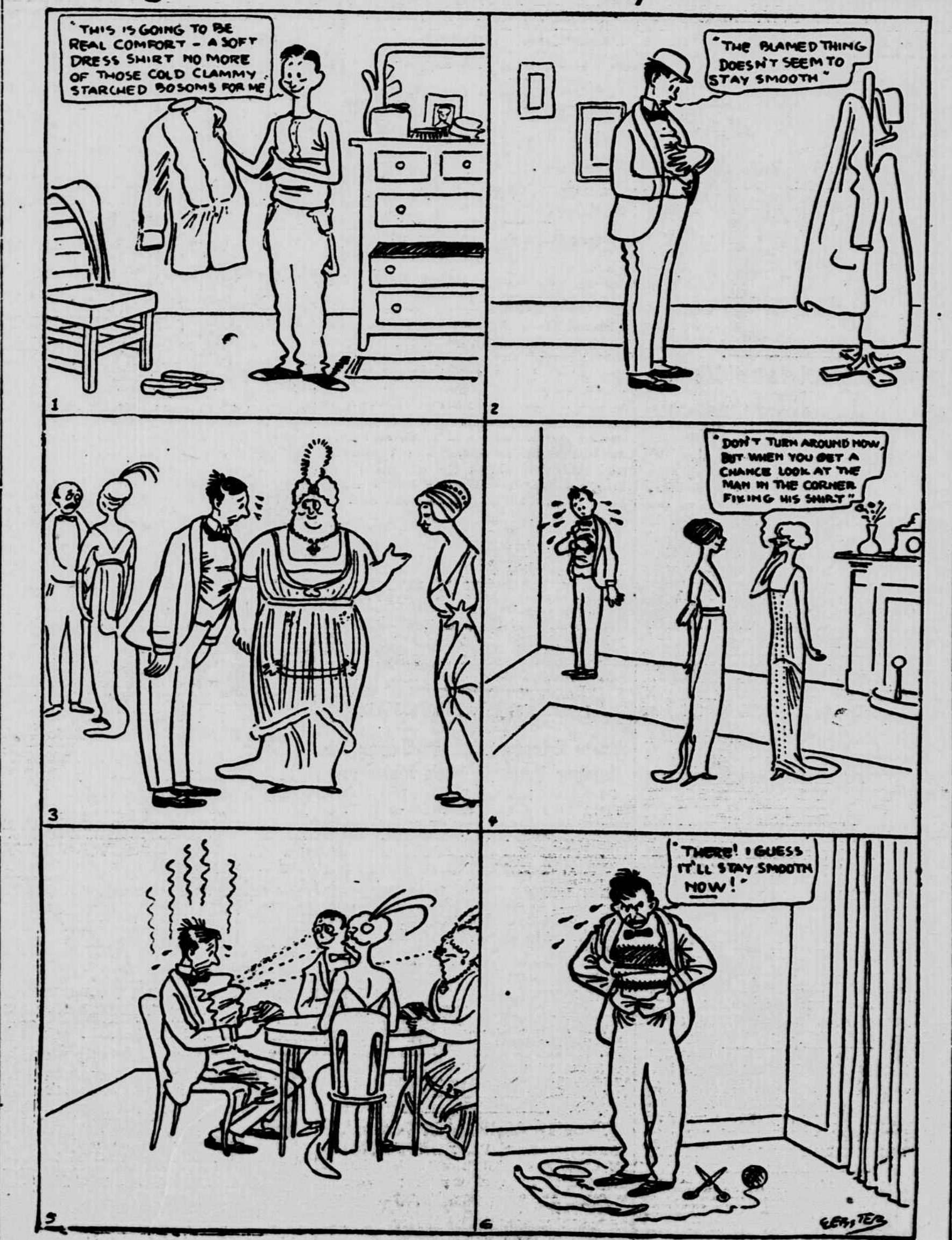
Insanitary conditions were alleged to exist in many canneries and among the Indians. Two hundred of the 600 Indians

on one reservation have tuberculosis. It was testified. It was recommended that a trained nurse be stationed on every reservation.

For Direct Election of Senators.

Official notice has reached the State Department of the ratification of the constitutional amendment providing for the direct election of senators by the legislatures of New York and Arizona, making four states which have so far acted favorably on the amendment, the other two being Massachusetts and Minnesota.

Wearing a Soft Dress Shirt—By H. T. Webster



ROCKVILLE AND COUNTY NEWS ITEMS AND NOTES

George H. Barnesly Hangs Himself in Granary on Mother's Place.

Special Correspondence of The Star.

ROCKVILLE, Md., January 25, 1913.

George H. Barnesly, a farmer of the vicinity of Avery, this county, committed suicide yesterday afternoon by hanging himself in the granary on his mother's farm, near Avery. His body, suspended from a rafter, was found by his brother about half-past 5 o'clock, and although it showed no signs of life, physicians disclosed that the young man had been dead probably an hour or more.

What prompted the act is not definitely known, although it is supposed to have been due to despondency. He had been in poor health for a month or more and for the last few days had been complaining more than usual. He is not known to have had financial or other trouble. The last seen of him alive was about 2 o'clock yesterday afternoon, when he left his mother's house, presumably to attend to work on the farm.

Had Famed for Mother.

Mr. Barnesly was a son of the late Samuel G. Barnesly, and since his father's death several years ago had conducted the farm for his mother. He was thirty years old and unmarried. Surviving him are his mother, a brother and three sisters. The funeral arrangements have not been announced.

Mrs. Hannah S. Muncester, wife of William E. Muncester, died Thursday night at her home near Redland, this county, aged seventy-six years. Her death was due to paralysis. She is survived by her husband and two sons, John E. and Luther M. Muncester, both of this county. The funeral took place at 11 o'clock this morning from the family residence, Rev. John H. Henderson, pastor of the Rockville Presbyterian Church, officiating. Burial was in Rockville cemetery.

BRIGHT FOR SUFFRAGISTS.

State Legislatures Adopt Measures Favorable to Woman Suffrage.

ALBANY, N. Y., January 25.—In obedience to party platform pledges, the senate has vote to submit to the voters of New York state a proposed constitutional amendment permitting women to vote. The senate resolution differs from the one passed by the assembly last Monday in that it would require a citizen by marriage to have been a resident of the United States for five years. The assembly leaders have given their word to the suffragists that the house will concur in the senate's naturalization amendment next week.

HELENA, Mont., January 25.—The woman's suffrage bill, which had been acted on favorably in the senate of the Montana legislature, has been passed by the house.

CARSON, Nev., January 25.—Woman suffrage passed the general assembly here yesterday with but three dissenting votes. The measure will go to the senate Monday, and should it pass, as is generally expected, it will be submitted to popular vote at the next general election.

Julian K. Edgar and Miss Myra E. Bramble, both of Cambridge, Md., were married Wednesday evening at the Baptist parsonage by Rev. Ames Cary.

WILL BAR FROZEN FRUIT

Pure Food Order Affects California's \$40,000,000 Crop of Oranges and Lemons.

More than half of California's forty-million-dollar orange and lemon crop may be kept off the eastern market by an order of the pure food and drug board issued by the Department of Agriculture yesterday. It is owing to the recent freeze, which has affected the department says, more than 60 per cent of the citrus crop. It is declared by the board that frozen citrus fruit is unfit for human food, and damaged shipments are prohibited and will be stopped by the inspectors wherever possible.

The order was issued after it had been brought to the attention of the board of food and drug inspection that on account of the recent freeze in California, citrus fruit, badly damaged by frost, was being placed upon the market. From 60 to 85 per cent of the California crop was estimated to have been injured.

"Citrus fruit is impaired in flavor by freezing," declares the board in its decision, "and soon becomes dry and unfit for food, but this deterioration is not apparent externally."

"The damage is evidenced at first by a more or less bitter flavor, followed by a marked decrease in sugar and especially in acid content. Fruit which has been materially damaged by freezing is inferior and decomposed within the meaning of the food and drugs act."

Vigorous Inspection Planned.

"In order to prevent this fruit being put on sale agents of the bureau of chemistry will make vigorous inspection of all shipments at intermediate shipping points and all packages found to contain 15 per cent or more of frozen fruit will be declared adulterated within the meaning of the pure food and drugs act."

The board defines frozen citrus fruit as fruit which upon transverse section through the center shows a marked drying in 20 per cent or more of the exposed pulp. The bureau of chemistry, it is stated, is actively at work to aid the growers to find methods of utilizing frozen fruit as well as healthy fruit in making orange peel confections, orange and lemon oils, orange and lemon juices and citric acid.

The anniversary of the birth of Robert Burns was observed Friday at Barton, Md., with a Scotch supper and concert in Junior Order Hall.

Rheumatism

Try Sloan's Liniment for your rheumatism—don't rub—just lay it on lightly. It goes straight to the sore spot, quickens the blood, limbers up the muscles and joints and stops the pain.

SLOAN'S LINIMENT

is fine for lame muscles.

A. W. LAY, of Lafayette, Ala., writes:—"I had rheumatism for five years. I tried doctors and several different medicines but found no relief. I obtained a bottle of Sloan's Liniment and used it as directed and I was cured. I do not do without it for anything."

At all dealers. Price 50c. 60c. & \$1.00.

Dr. E. S. Sloan - Boston, Mass.